Q.1.) No ; I do not agree with the view that 'a bachelor with no dependents needs no insurance':

1) One of the biggest reasons for this is; that ~~as~~ he might be a bachelor right now but ~~they~~ there may come a time when he starts a family and is the main bread earner of that family. Yes he ~~can~~ can definitely buy an insurance policy then but; as our age increases ~~our~~ the premiums also start increasing hence then life insurance won't be affordable and he won't be able to get the best policy for himself

2) He can also buy ~~policies~~ products such as Pure endowmen - which can be used for savings. and Annuity which will be beneficial to him in the feature.

Q4. I think that a family member dying ~~prema~~ prematurely and ~~dying~~ leaving the dependent family to fend itself is more dangerous and difficult to manage.

We all know about ~~that~~ the emotional & mental stress that one might have after ~~loos~~ losing a loved one. The anxiety of what will happen next can be resolved by having a life Insurance policy even if its only a little bit

In such a situation Life Insurance policy can ~~also~~ also help with paying debts like mortgage and car loans and credit cards etc. which may be a financial burden on the family in addition to the burden they might already be suffering.

Yes, I do believe That living too long without means of support is also serious but Life Insurance isn't the primary way with which we can resolve that problem.

Q.6. (1) Adverse ~~Sotele~~ Selection:

(i) A person selecting a particular company as their ~~because~~ insurance provider because the company has mispriced a product through which the person can benefit is called adverse selection

For. eg.: Compan A charges the same premium from both smokers & non-smokers.

Company B charges more premium from smokers & comparitively lesser premium from non- smokers.

In this situation a smoker will definitely choose company A as they ~~will~~ will not have to pay higher premium.

That is what 'Adverse selection' is.

2) Moral Hazard.

i) This usually happens after the insured has already bought the insurancy policy.

ii) In this case the ~~sto~~ insured may start being less cautious about protecting the things that have been insured. They might start taking greater risk.

(iii) The person may increase the frequency or the severity of the loss. This is because of defects that exist in a persons character

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12. (A). Bob Could have taken a term Life policy.

- Since it is one of the most affordable insurance policies; it would be difficult to pay regular premiums.

- He is a carpenter hence does have some risk involved in his job. it would be the best to get a cover for this risk as soon as possible.

- He has a wife & a daughter who are dependent on him In case of his unfortunate demise they may suffer a lot emotionally and finanacially.

- This policy might also help them to pay off Bob's debts for his leased car & equipments.

(B) Life Insurance policy has a lot of benefits.

1) Out of them one of the most important benefit is that it will help out your family incase of you untimely demise. It will secure your family's financial needs.

2) You can ensure that your dependents will be about to live a comfortable life.

3) A person may have. ~~a lot of loans~~ to pay off a lot of loans ~~for this~~ which they might have

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& bought to purchase a car or house, or educations loans for ~~they~~ their children. In case of death of ~~of~~ that person before all the loans have been paid; this burden will fall on their family members.

A Life Insurance policy may help a person family ~~to pay~~ to pay off their debts.

4) One can also buy Endowment, Annuity & pure endowment policies to secure their future. And ~~get~~ it to get help during retirement.

5) Life Insurance also provides tax benefits.
Under Section 80C of the Income Tax Act life insurance policy premiums are egligible for tax deductions. Also; death & survival benefits are exempted from tax.

Q.15.-(i) Underwriting helps a company to determine the expected loss potential of a proposed ~~one~~ insured and in selecting a price in ~~lot~~ line with expected loss.
This helps to set a fair price for all depending upon every individuals' lifestyle.

(ii) If every insured paid the same price then those suffering less losses will have to pay more than required to ~~subsidise~~ subsidize those more likely to suffer more losses.

(iii) Underwriting can help a company to come up with ~~produc~~ products with lower premium rates and hence become more marketable and profitable.

(iv) Without underwriting there is a risk of moral hazard where a person's character might be as such where they increases the frequency of losses intentionally to get claims.

(v) No underwriting can also lead to adverse selection where the insured gives less or wrong information to the company to get lesser premiums.

Q. 18.

1) Term Life Insurance:

i) In this type of Life Insurance policy the buyer is insured for a fixed term.

ii) This term ~~can be~~ life Insurance only provides death benefit to the beneficiary if and only if the insured dies during the term period.

iii) If the insured survives ~~to~~ until the end of the term there isn't ~~is~~ a survival benefit.

(iv) The ~~pay~~ premium paying method can be Regular, Limited or Single.

Note, that the premium paying term and the term of the product are two different thing. And the premium paying term is always shorter.

(v) Term Life insurance is one of the most Affordable Life Insurance product. It also provides tax benefits for the premium paying term.

2) Whole Life Insurance:

i) This Life Insurance product provids coveragge for to the insured for their entire life. (upto 100 years of age)

ii) Again the premium paying method can be regular, limited or single.

(iii) Whole Life Insurance offers a loan facility to the insured where they can take loan against their cash value or withdraw it.

(iv) If the insured dies before the repayment of the loan; ~~this~~ the outstanding amount is subtracted from the death benefit to the beneficiaries.

(v) Whole Life Insurance product provides tax benifits for whole life.

3) Pure Endowment Policy:

- It is a policy where the ensured is given the sum assured only if they survive till the end of term.
- If the insured dies within this period they do not get a death benefit / sum assured.

- This kind of insurance contract is used for saving money.

4) Endowment Policy: An Endowment Policy is the combination of term insurance and Pure Endowment.

- Here the insured gets the sum assured if they survive till the end of the period but incase of prior death of the insured, the beneficiary gets the death benefit too.

- The end of the policy is called the Maturity date. And the benefit of survival until maturity date is called survival Benefit.

- This kind of policy can be used for both; savings & protection.

- It offers tax benefits too.

63) 5) Annuity : This product provides fixed stream of payments to the policy holder.

* • This product is used as income stream after retirement.

• The period of time during which the annuity is being funded ~~ot~~ and payouts have not begun is known as the accumulation phase.

6) 6) Joint Life Policy: ~~In~~ In this life insurance product a person and their partner are both covered by the same policy.

• The death benefit in this policy is given on a first-death basis.

• Both ~~a~~ the ~~part~~ person & their partner are the owner & the beneficiary.

So, in case of death of one of them; ~~both will~~ the other will receive the benefit.

• ~~Newly~~ New generation of couples tend to ~~by~~ buy this policy because it is affordable.

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1) Endowmen: highest premium charged in pure endowment policy because it provides both the survival & the death benefit. Which means the insurance company has to pay out the sum assured at the end of the term no matter what.

2) Whole Life: ~~Her~~ this is the next highest ~~cau~~ because here the company ~~pay covers~~ provides cover for your whole life. Hence there is guaranteed death benefit

3) Pure Endowmen: Here the company provides survival benefit; its like a saving ~~hence~~ rather than protection hence higher premium are paid for this.

~~4) Annuity~~:

4) Term Life Insurance: This is one of the most affordable type of insurance policy. The company only has to cover only for a fixed term & ~~hence~~ death benefit is not guaranteed.

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6) ~~Th~~ Joint Life: This is the Least expensive product because one ~~produc~~ policy covers two lives. If it was more expensive than term life then there would be no point in buying joint life insurance